

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A281.3689

F76T

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



TROPICAL PRODUCTS
FTEA-2-63
June 1963

WORLD TEA PRODUCTION SEEN UP

IN 1963, EXPORTS INCREASE

Summary

World tea production in 1963 is forecast at 2,239 million pounds. This is about one percent above the 1962 crop of 2,219 million pounds and slightly above the record 1961 outturn. Moderate increases are expected in Ceylon, Indonesia, and Japan, while India's 1963 production is expected to be about the same as last year's harvest of 759.7 million pounds.

Production of tea in Africa continues to grow in importance, with around 123.7 million pounds expected to be harvested in 1963. Kenya and the Federation of Rhodesia and Nyasaland each produce about one-fourth of the continent's output.

While tea production in South America is still small, the 1963 area forecast of 28.1 million pounds is nearly 3 times the 1955-59 average.

World tea exports in 1962 totaled 1,239 million pounds, an increase of 3 percent over 1961 shipments. Nearly three-fourths of the tea exported last year originated in two countries -- India and Ceylon. The balance included about 16 percent from other Asiatic countries, 9 percent from Africa, and 1 percent from South America.

The United Kingdom continues as the world's leading importer and consumer of tea, taking well over 40 percent of all tea exported annually. The United States is the second largest importer, with 129.7 million pounds in 1962.

This circular contains more detailed information than the summary of similar title published in the World Agricultural Production and Trade Statistical Report of May 1963.

TEA: Estimated world production for calendar year 1963 with comparisons

Continent and country	Average 1955-59	1960	1961	1962 1/	Forecast 1963
	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Asia:					
Ceylon	395,930	434,709	455,229	467,049	470,000
China (Mainland)	279,760	350,000	348,000	350,000	350,000
Federation of Malaya ...	5,163	5,484	5,809	6,200	6,200
India	695,651	699,610	780,944	759,692	760,000
Indonesia 2/	121,771	101,722	95,104	101,400	105,000
Iran	14,323	16,300	17,000	17,000	17,000
Japan	163,164	171,002	179,349	170,762	175,000
Pakistan	53,440	41,947	58,100	51,330	52,000
Taiwan	33,233	38,878	39,824	40,000	41,000
Turkey	5,545	13,000	12,500	13,000	13,000
U.S.S.R.	63,871	83,100	83,775	85,000	88,000
Vietnam (South)	8,221	9,372	10,100	10,200	10,200
Total Asia	1,840,072	1,965,124	2,085,734	2,071,633	2,087,400
Africa:					
Congo (Leopoldville) 3/..	4,765	8,000	7,500	7,000	7,000
Kenya	23,080	30,371	27,869	36,217	35,000
Mauritius	1,739	1,733	2,809	3,000	3,200
Mozambique	15,229	19,897	23,368	20,700	20,500
Tanganyika	6,097	8,206	9,830	9,500	10,000
Federation of Rhodesia and Nyasaland	22,137	28,275	33,897	31,710	34,000
Uganda	7,962	10,291	11,278	13,876	14,000
Total Africa	81,009	106,773	116,551	122,003	123,700
South America:					
Argentina	5,159	9,921	13,900	17,600	20,000
Brazil	3,103	5,988	6,208	4,500	5,000
Peru	1,898	2,526	2,731	2,950	3,100
Total South America ..	10,160	18,435	22,839	25,050	28,100
World total	1,931,241	2,090,332	2,225,124	2,218,686	2,239,200

1/ Preliminary.

2/ Does not include small holders production for home use.

3/ Formerly Belgian Congo.

Foreign Agricultural Service. Official estimates of foreign governments. Other foreign source material, reports of Agricultural Attaches and other U. S. representatives abroad, International Tea Committee, and other information.

Production

Asia: Over 90 percent of the world's tea is produced in Asia, with India alone accounting for approximately one-third of the total supply. For 1963, Asia's production of tea is forecast at 2,087 million pounds against 2,072 million in 1962.

Production of tea in India in 1963 is forecast at 760 million pounds, about the same as in 1962 but down nearly 3 percent from the record 1961 harvest.

The 1962 North India crop was considerably below early estimates mainly because of dry and generally unfavorable weather condition in the Assam Valley, Cachar and Dooars regions. The first flush from Darjeeling was excellent but yields during the rest of the year were disappointing. South India tea-producing areas continue to prosper with 1962 production -- estimated at 179 million pounds -- up 2 percent from the previous year.

The Government of India apparently is giving the tea industry more favorable consideration. During 1962, the Indian industry received a tax relief of 21.5 million rupees (U.S. \$4.5 million). In addition, India's export duty on tea, originally levied to obtain funds for export promotion, was completely abolished after 60 years. However, India's excise duty on tea was increased 20 percent over the old rates.

Communication and transportation improvements in Assam and Dooars have taken a sharp upturn partly because of the war scare. Bridges are being replaced, new roads are under construction, and old roads are being repaired. The railroads also are increasing their building activity.

Fertilizer supply has been a problem for the tea estates in the past. The Tea Board, however, has now assured the industry of supplies of ammonia sulfate sufficient for the recommended application rate of 80 pounds per acre.

The 1963 Ceylon crop is estimated at 470 million pounds, slightly above the 1962 record outturn of 467 million, and 3 percent greater than the 1961 crop of 455 million pounds. This continues the upward trend of production registered since 1958 and 1959 when production was a little over 413 million pounds. The larger crops of recent years are attributable in part to the effectiveness of the Tea Rehabilitation Program.

As a result of increased tea production, the Government decided to increase the quota of high-altitude grown tea which may be shipped for sale at the London auctions by 5,000 pounds -- from 45,000 to 50,000 pounds annually. Medium- and low-altitude grown tea may be shipped to London without restriction. Of the 1962 production, 189 million pounds were high-altitude grown tea, 162 million medium-altitude grown, and 116 million pounds low-altitude grown tea.

Effective as of January 1, 1963, the subsidy given to estates of over 100 acres under the Tea Replanting Scheme was increased to assist owners, handicapped by high taxation, to meet the cost of replanting.

China's 1963 production of tea has been estimated at 350 million pounds, or about the same as in the three previous years, according to unofficial information.

Japan's 1963 production of tea is expected to total 175 million pounds, compared with 170.8 million pounds in 1962. Production in 1962 was about 5 percent less in 1962, mostly because of below-normal temperatures during the winter season and a long dry spell during the summer. The area planted to tea has expanded steadily during the past 10 years, reaching 121,000 acres in 1961. This is comparable to the 1969 target level established by the government in 1959.

Domestic requirements for green tea have been generally stable or tending upward slightly and the government has no particular intention to encourage tea growers to further enlarge their plantings. Accordingly, Japan's tea acreage is expected to show only a slow upward trend in the foreseeable future. Increasing emphasis, however, will be placed on higher yields and better quality leaves through improved cultivation and management practices.

Production of estate tea in Indonesia is forecast at 105 million pounds in 1963 against 101.4 million in 1962 and 95.1 million pounds in 1961. Rainfall was good during most of 1962 and above normal in late 1962 and early 1963. Tea output, however, continues to be hampered by lack of parts, supplies, and machinery badly needed to modernize tea factories and estate operations.

Production of tea in the USSR, according to available information, has been increasing in recent years. The 1963 output of processed tea is forecast at 88 million pounds.

Pakistan's production of tea in 1963 is expected to be only slightly larger than the 1962 crop of 51.3 million pounds. The area under tea for the crop year 1962-63 was placed at 81,000 acres against 79,000 acres in the preceding period. Production in 1962 was down 12 percent from the large harvest in 1961 because of an abnormally lean season in East Pakistan.

Consumption of tea in Pakistan has been increasing at a more rapid rate than production, causing tea exports to drop sharply in recent years. In the latter months of 1962, tea exports were temporarily halted and the government announced that 2 million pounds would be imported in 1963-64 to meet domestic needs.

Both planted and harvested acreage for tea in Taiwan has shown a steady upward trend in the past 10 years with a corresponding rise in production. Tea output in 1963 is forecast slightly above the estimated 1962 crop of 40 million pounds.

Tea production in other Asiatic countries in 1963 is forecast at 46.4 million pounds, or about the same as in 1962.

Africa: Production of tea in Africa is growing in importance and the 1963 area forecast of 123.7 million pounds continues the upward trend. While the increase for 1963 is not expected to be as large as it was in 1962 or 1961, production is nevertheless more than 50 percent larger than the 1955-59 average.

Kenya produces slightly over one-fourth of the tea grown in Africa. Indications for 1963 were that output could be down slightly from the bumper harvest in 1962. New plantings in recent years, plus planned increases in acreage, however, will likely result in a continued upward trend in production in the next few years. Kenya's tea industry is comparatively new as is its processing equipment.

Production of tea in the Federation of Rhodesia and Nyasaland is about equal to that of Kenya. Early reports in 1963 point toward a sizable increase over last year's crop of 31.7 million pounds.

Mozambique's tea production increased steadily through the 1961 crop when output reached a record 23.4 million pounds, or more than 3 times the 1951 harvest. However, output dropped to 20.7 million pounds in 1962, probably because of adverse harvesting conditions. There is no indication so far in 1963 of any significant change from last year.

Tea production in Mozambique is centralized in the north central region, with Gurue the principal producing area. As of mid-1962, there were reportedly 15 large tea estates employing a total of about 40,000 persons. Settlement of tea workers in the tea-producing areas has been assisted by financing under Mozambique's 6-year development plan.

Tanganyika's 1963 crop may be moderately above the 1962 output of 9.5 million pounds, based on preliminary January-March crop figures. Uganda's outturn for the same period also showed a moderate increase.

South America: Production of tea in South America accounts for little more than one percent of the world's supply. Output has been rising rapidly, however, with the 1963 forecast for this area of 28.1 million pounds nearly 3 times the 1955-59 average.

Argentina is the principal producer of tea in South America. Output in 1963 is expected to reach 20 million pounds, 14 percent above the 1962 crop and 44 percent above that of 1961.

Official Argentine statistics on tea go back to the 1950-51 season, showing the area planted at that time at 3,700 acres. This acreage expanded moderately for the first few years. A very large increase occurred in 1955-56 when tea plantings rose to 80,000 acres. Since then, acreage has remained relatively constant. About 95 percent of the plantings are located in the Province of Misiones.

Although the potential for acreage expansion is great, it is not economically feasible at present to increase tea acreage in Argentina. Reportedly, Argentine tea is used by foreign importers for blending with finer quality teas. Producers are making every effort, with the help of foreign and government technicians, to improve the quality as well as reduce production costs. If successful, Argentina may well become one of the world's more important producers of tea.

Most of Brazil's tea is cultivated along the valley of the Ribeira River in the State of Sao Paulo. In 1963, tea production is forecast at 5 million pounds, as compared with an estimated 4.5 million pounds in 1962 and 6.2 million pounds in 1961. Brazil consumes only about one-fourth of its domestic output with the balance available for export.

Tea production in Peru in 1963 is forecast at 3.1 million pounds, showing a continuation of the upward trend in production. Almost all of Peru's tea is grown in the Departments of Huanuco and Cuzco. From 1956 to 1961, the area devoted to tea increased approximately 50 percent. Growers are expected to increase plantings during the next few years, partly because of excellent prices reportedly received for Peruvian tea on the London market in 1962.

Trade

World exports of tea from producing countries totaled 1,239 million pounds in 1962, up 3 percent from 1961 exports, and 9 percent above the 1955-59 average. Asia accounted for 90 percent of all tea exported in 1962, compared with 94 percent during 1955-59. Although Asia's 1962 exports were up 4 percent from average shipments in 1955-59, Africa increased its exports by 56 percent and South America by more than 1,000 percent over the corresponding period.

India's tea exports in 1962, based on preliminary data, were 466.5 million pounds, up 3 percent from 1961, but substantially below the record 525.6 million pounds exported in 1956. Although exports to the United Kingdom dropped to 264.2 million pounds from 271.5 million pounds in 1961, the decline was more than offset by larger shipments to other countries, particularly Egypt, the United States, the USSR, Ireland and Australia.

While India's tea exports were up in 1962, gross receipts of Rs. \$1,237 million (U.S. \$260 million) were down slightly from 1961. Reportedly, this was caused mainly by severe price selectivity at the Calcutta auctions during the period August 1962 onward, and lower prices at other auctions, especially Colombo and Cochin.

The availability of tea for consumption in India in 1962 appeared to be around 310 million pounds, or about 0.7 pound per capita. A 20 percent increase in the excise tax on tea for domestic consumption will probably be a restraining factor on further increases in domestic use.

Ceylon was a close second to India in tea exports in 1962 with 451.6 million pounds, a new record. Exports have increased substantially in recent years, totaling 426.9 million pounds in 1961 and 409.8 million in 1960, and averaging 374.5 million pounds during 1955-59.

Since 1955, Ceylon has been the principal supplier of tea to the United States, accounting for about two-fifths of our imports. In 1962, exports to the United Kingdom rose sharply to 229.7 million pounds, an increase of 44 percent over 1961 and the highest in recent years.

There is growing concern in Ceylon over its inability to recapture the large "pre-Suez" Middle East market for medium- and low-altitude grown teas. Bi-lateral trade pacts arranged in 1961 with some of these countries have not increased sales as much as expected.

Tea trade and planters' associations are making representations to the Ceylon Government for the reduction of export duties and taxes on tea, which include a flat export duty of 35 rupee cents (U.S. \$0.07) per pound as well as other assessments. The recent abolition of India's export duty on tea has served to heighten the Ceylon trade's concern about overseas shipments.

India: Tea exports to specified countries, average 1955-59,
annual 1960-1962

Country of destination	Average 1955-59	1960	1961	1962
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
United Kingdom ..	304,341	269,349	271,543	264,248
Egypt	20,200	31,691	33,735	40,875
United States ..	24,977	19,996	23,025	25,260
USSR	16,319	22,593	26,142	27,368
Canada	18,205	15,428	14,173	13,935
Ireland	17,170	13,761	14,259	15,968
Sudan	9,712	8,671	14,740	11,720
Iran	6,504	7,833	8,500	9,934
Turkey	6,899	5,351	9,191	3,984
Australia	7,416	5,362	4,127	10,789
West Germany	4,613	3,803	3,433	3,776
Netherlands	2,880	3,159	3,521	6,475
Other	24,069	23,750	25,843	32,203
Total	463,305	430,747	452,232	466,535

Ceylon: Tea exports to specified countries, average 1955-59,
annual 1960-1962

Country of destination	Average 1955-59	1960	1961	1962
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
United Kingdom ..	139,759	152,369	159,581	229,715
United States ...	37,120	40,860	41,952	45,407
Australia	37,859	43,319	43,116	37,320
Iraq	28,808	34,368	34,407	38,786
Union of South Africa	24,776	26,423	29,001	27,044
Egypt	12,226	800	3,494	3,413
Canada	17,779	17,588	19,375	18,764
Iran	9,676	10,770	3,575	3,479
Netherlands	7,009	8,387	7,691	7,932
Tunisia	4,074	4,613	2,967	2,755
Libya	4,452	5,414	6,403	5,096
Other	50,935	64,873	75,381	31,922
Total	374,473	409,784	426,943	451,633

Ceylon Customs Returns

Exports of Indonesian tea in 1962 have been estimated at 70.5 million pounds, down about 15 percent from 1961 and a decrease of about the same percentage from the 1955-59 average. However, Indonesia retained her position as the third largest supplier to the United States. Under government control, Indonesia's tea is shipped to Antwerp, Hamburg, and London for sale at auction.

Indications are that China's exports of tea in 1962 were down somewhat from the 68 million pounds estimated for 1961.

Taiwan's tea exports were 27.5 million pounds in 1962. This is substantially below 1961 shipments of 32.2 million pounds, but 10 percent above the 1955-59 average. About one-fourth of Taiwan tea exports go to the United States.

Japan's total tea exports in 1962 amounted to 18.9 million pounds against 17.6 million pounds in 1961. Green tea makes up the bulk of Japan's exports, with Morocco the largest single destination. Japan imports sizable quantities of black teas -- 4.3 million pounds in 1962 -- to meet domestic consumption requirements.

Pakistan's tea exports in 1962 were 7.4 million pounds. Exports in 1960 and 1961 were less than half the average exports of 14.4 million pounds in 1955-59.

Domestic consumption has been increasing at a faster rate than production, and the Government has suspended tea exports from time to time to meet internal demands.

Kenya was the leading exporter of tea in Africa in 1962 with 29.7 million pounds, up 22 percent from 1961, and 12 million pounds above average 1955-59 exports. Exports from the Federation of Rhodesia and Nyasaland declined slightly to 28.2 million pounds from a high of 30.1 million pounds in 1961. Mozambique, the third largest exporter of tea in Africa, shipped 19.8 million pounds in 1962 against 21.8 million pounds in the preceding year. Exports of tea from Uganda and Tanganyika were up in 1962, at 11.6 million and 8.7 million pounds, respectively, as compared with corresponding exports of 8.5 million and 7.5 million pounds in 1961.

Exports of tea from South America have increased sharply in recent years.

Argentine exports were 14.1 million pounds in 1962 as compared to less than one-half million pounds in 1958. Most of Argentina's tea has been going to Europe, although exports to the United States increased markedly in 1962.

Brazil's exports reached 3.3 million in 1962, an increase of 27 percent over 1961 shipments.

United Kingdom imports of tea in 1962 totaled 557.6 million pounds, as compared with 555.6 million pounds in 1961. India and Ceylon, with 270.2 million and 174.9 million pounds, respectively, were the principal suppliers.

United States imports attained an alltime high of 129.7 million pounds in 1962, nearly one-fifth above 1961 imports, and 13 percent larger than in 1960. Forty percent of U. S. imports were from Ceylon, with other primary sources being India, Indonesia, East Africa (Kenya, Tanganyika, and Uganda), and Taiwan. Tea imports from the Netherlands (reexports) jumped to 9.4 million pounds from 1.5 million pounds in 1961.

TEA: United States imports by country of origin, average 1950-54, 1955-59
annual 1960-1962

Country of origin	Average 1950-54	Average 1955-59	1960	1961	1962 ^{1/}
	Pounds	Pounds	Pounds	Pounds	Pounds
North America:					
Canada	248,353	627,841	962,027	1,128,664	1,411,721
Others	85	---	---	---	---
Total	248,438	627,841	962,027	1,128,664	1,411,721
Europe:					
France	---	12,048	---	40,518	3,011
Germany, West	10	2,261	47,065	47,210	21,585
Ireland	2,928	15,768	8,912	9,664	7,978
Netherlands	405,401	2,463,963	2,923,310	1,455,638	9,373,936
United Kingdom	211,434	1,170,600	2,325,170	1,446,087	1,136,380
Others	61,154	---	---	---	---
Total	680,927	3,664,640	5,304,457	2,999,117	10,542,890
South America:					
Argentina	---	---	159,938	252,541	1,217,532
Brazil	379,078	288,850	803,438	634,656	738,962
Others	25,220	27,839	39,602	---	81,669
Total	404,298	316,689	1,002,978	887,197	2,038,163
Asia:					
Ceylon	40,555,454	42,058,621	48,317,529	44,312,973	51,497,845
Malaya, Federation of ..	46,784	5,393	86,309	163,814	49,405
Hong Kong	129,880	267,658	431,631	205,168	290,311
India	37,263,092	30,574,156	24,769,485	26,617,857	29,261,115
Indonesia	11,129,497	13,715,848	15,226,347	15,095,258	13,604,921
Iran	25,178	30,737	22,440	---	---
Japan	4,015,961	3,047,233	2,421,064	2,072,166	2,484,753
Pakistan	277,727	90,088	89,431	45,274	76,625
Singapore	---	5,488	---	13,448	---
Taiwan	3,128,482	4,934,782	8,131,404	6,004,414	6,399,718
Others	638,531	10,759	12,740	---	8,870
Total	97,210,586	94,740,763	99,508,380	94,530,372	103,673,563
Africa:					
East Africa ^{2/}	2,104,264	3,175,136	5,303,780	6,037,735	6,695,845
Mauritius	2,550	10,643	---	---	1,489
Mozambique	2,596,213	1,103,459	1,324,189	2,254,044	1,983,758
Congo, Leopoldville	20,810	318,469	985,700	376,585	681,709
Rhodesia and Nyasaland, :					
Federation of	30,721	241,163	755,951	1,023,240	2,570,463
South Africa, Republic of:	29,429	49,210	24,028	100,187	84,458
Others	134,228	1,666	---	---	7,774
Total	4,918,215	4,899,746	8,393,648	9,791,791	12,025,496
Grand total	103,462,464	104,249,679	115,171,490	109,337,141	129,691,833

^{1/} Preliminary.

^{2/} Includes Kenya. Tanganyika and Uganda.

Compiled from reports of the U. S. Department of Commerce.

TEA: World exports from producing countries, average 1955-59,
annual 1960-1962

Continent and country of origin	Average 1955-59	1960	1961	1962 ^{1/}
	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>
Asia:				
Ceylon	374,473	409,784	426,943	451,633
China (Mainland)	86,597	88,000	68,000	65,000
India	463,305	430,747	452,232	466,535
Indonesia	79,556	86,407	79,725	70,500
Japan	22,166	22,304	17,635	18,933
Malaya, Federation of ...	3,491	5,138	5,238	3,600
Pakistan	14,370	4,078	5,129	7,369
Taiwan	25,011	25,214	32,194	27,463
Vietnam (South)	1,800	3,000	3,649	4,204
Total Asia	1,070,769	1,074,672	1,090,745	1,115,237
Africa:				
Congo, Leopoldville	4,103	7,633	7,000	6,500
Kenya	17,841	23,992	24,299	29,657
Mauritius	699	466	1,747	1,700
Mozambique	14,363	18,068	21,826	19,841
Rhodesia and Nyasaland, Federation of	19,870	24,399	30,051	28,249
Tanganyika	5,032	7,078	7,479	8,734
Uganda	6,020	8,649	8,541	11,608
Total Africa	67,928	90,285	100,943	106,289
South America:				
Argentina	406	6,652	11,798	14,105
Brazil	947	1,664	2,593	3,300
Peru	30	44	93	176
Total South America ...	1,383	8,360	14,484	17,581
World Total	1,140,080	1,173,317	1,206,172	1,239,107

^{1/} Preliminary.

Foreign Agricultural Service. Official publications of foreign governments, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON 25, D. C.

Official Business

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

NOTICE

If you no longer need this publication,
check here ☐ return this sheet,
and your name will be dropped from the
mailing list.

If your address should be changed, print
or type the new address on this sheet
and return the whole sheet to:

Foreign Agricultural Service, Rm. 5918
U. S. Department of Agriculture
Washington 25, D. C.